

Message Text

LIMITED OFFICIAL USE

PAGE 01 VIENTI 00333 091126Z

43

ACTION EA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 FS-01 ABF-01 IGA-02 L-03

/059 W

----- 117408

R 091050Z FEB 76

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC 6059

LIMITED OFFICIAL USE VIENTIANE 0333

DEPT ALSO PASS AID

E.O. 11652: GDS

TAGS: PFOR, EFIN, EAID, LA

SUBJECT: PROBLEMS CITED BY OFFICIAL OF NATIONAL BANK OF
LAOS

REF: VIENTIANE 032-

1. DURING FEBRUARY 9 MEETING WITH ENBOFFS TO DISCUSS
USDO ACCOUNTS (SEPTTEL), MR. BOUN NHOU THAVONE KHAM, A
NATIONAL BANK OFFICIAL NOW SERVING AS MANAGER OF NEW
BANK OF FOREIGN TRADE, PROVIDED DOCUMENT CONTAINING
FURTHER DETAIL ON PROBLEMS DESCRIBED REFTTEL. THIS
INFO APPEARS TO ALTER SIGNIFICANTLY THE ORIGINAL
DESCRIPTIONS OF THE PROBLEMS. OUR INFORMAL TRANSLA-
TION OF THE FRENCH FOLLOWS:

2. CHASE- MANHATTAN ACCOUNT: "ACCOUNT NUMBER 3: AT
THE TIME WHEN THE USIP PROGRAM EXISTED, AID/WASHINGTON
DEPOSITED MORE THAN ONE MILLION DOLLARS TO ACCOUNT
NUMBER 3 IN THE NAME OF THE BANQUE NATIONALE DU LAOS
(BNL) AT THE CHASE MANHATTAN BANK. THIS ACCOUNT WAS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 VIENTI 00333 091126Z

INTENDED SOLELY TO GUARANTEE THE CORRECT UTILIZATION

OF USIP COMMODITY IMPORTS. SOME COMMODITIES IMPORTED AT THE TIME DID NOT MEET THE STANDARDS IMPOSED BY THE REGULATIONS OF AID/WASHINGTON. THE LATTER WOULD PENALIZE THE RLG, BY AUTOMATICALLY DEBITING ACCOUNT NUMBER 3 AND RESTORING THE KIP TO THE RLG. AT PRESENT ACCOUNT NUMBER 3 SHOWS A FAVORABLE BALANCE OF US\$79,048.23. THE PRESENT GOVERNMENT STRONGLY DESIRES THAT AID/WASHINGTON AUTHORIZE THE BNL TO UTILIZE THESE FUNDS FOR THE IMPORTATION OF PRODUCTS OF PRIME NECESSITY."

3. IN ADDITION, BOUN NHOU SHOWED EMBOFFS A RECENT NOTICE OR STATEMENT FROM CHASE WITH FOLLOWING DATA: "EXPENSE A/C: 2-269; TIME DEPOSIT NUMBER 3489; MATURITY: JANUARY 5, 1976; RATE OF INTEREST, FIVE PER CENT; AMOUNT, \$79,048.23." HE ALSO EXHIBITED AN EXCHANGE OF TELEX MESSAGES IN WHICH BOUN ON SEPTEMBER 29, 1975, ASKED CHASE TO TRANSFER THIS AMOUNT TO BARCLAYS BANK INTERNATIONAL IN LONDON AND REPLY FROM CHASE DATED OCTOBER 20 SAYING IT COULD NOT COMPLY "BECAUSE OF INSUFFICIENT FUNDS." BOUN NHOU ADDED THAT IF THERE WERE SOME OBSTACLE TO TRANSFERRING THIS SUM TO LONDON, BNL WOULD BE GLAD TO HAVE IT TRANSFERRED TO A CURRENT ACCOUNT WHICH BNL MAINTAINS AT CHASE, EVIDENTLY NUMBER 001/1/547494.

4. KIP DEFICIENCY:("THE ACCOUNT KNOWN AS 'DIRECT ADVANCE IN COUNTERPART FOR SPECIAL LETTERS OF CREDIT' SHOWS AS OF THIS DATE A DEFICIT BALANCE OF KIP 30,597,459, MINUS DEDUCTION ALREADY MADE (FINANCING OF TRACTORS) OF KIP 29,901,441, WHICH LEAVES A REMAINDER OF KIP 696,018. SINCE THIS HAS TO DO WITH AN ADVANCE IN KIP FOR THE 'SPECIAL LETTER OF CREDIT,' WE DESIRE THAT THIS ORGANISM (PRESUMABLY MEANING AID/WASHINGTON, BUT NOT SPECIFIED) REIMBURSE THE BNL IN THE AMOUNT OF KIP 696,018."

5. ACTION REQUESTED: SEE PARA 4 OF REFTTEL. IF SUM LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 VIENTI 00333 091126Z

MENTIONED PARA 4 ABOVE IS FOUND TO BE A LEGITIMATE CHARGE TO USAID/LAOS, COULD IT BE PAID OUT OF THE KIP 10,733,798 TRUST FUND FOR RESIDUAL USAID EXPENSES IN USDO ACCOUNT AT BNL, TO WHICH WE WILL SHORTLY HAVE ACCESS AND WHICH WE INTEND TO TRANSFER INTO A SINGLE USDO ACCOUNT AT THE NEW BANK OF FOREIGN TRADE? CORCORAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DOCUMENTS, BANK ACCOUNTS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976VIENTI00333
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760048-0710
From: VIENTIANE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760266/aaaacgcj.tel
Line Count: 114
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAY 2004 by ellisoob>; APPROVED <03 JUN 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROBLEMS CITED BY OFFICIAL OF NATIONAL BANK OF LAOS
TAGS: PFOR, EFIN, EAID, LA, NATIONAL BANK OF LAOS, CHASE-MANHATTAN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006